

### **REMARKS/ARGUMENTS**

Claims 1, 7, and 46 are amended; claims 28, 31-34, 63, and 77-78 are cancelled; claims 2-3, 9-23, 25-27, 29-30, 35-45, 51-52, 55, 65, and 66 were previously cancelled; claims 79-82 are new; and claims 1, 4-8, 24, 46-50, 53, 54, 56-62, 64, 67-76, and 79-82 are pending upon entry of the Amendment. No new matter is introduced by way of the Amendment.

Support for the amended claims can be found, for example, in paragraph [0059] of the Specification.

The new claims are supported, for example, in paragraphs [0039]-[0042] of the Specification.

### **Finality of the Office Action**

Applicant filed a timely petition to withdraw the finality of the Office Action on March 9, 2010. As of the filing of the Amendment, applicant has not received a formal reply from the USPTO. However, in a phone call on June 14, 2007 to Supervisor Eric Stamber of Art Unit 3600, an applicant's representative was told that the petition would be granted. Further, telephonic message from Supervisor Eric Stamber on July 15, 2010 confirmed that the Petition was being approved. Accordingly, applicant is of the understanding that the Amendment is enterable as a response to a non-final rejection.

### **Claim Objections**

Claims 46 and 47 were objected to because of certain informalities. The listing of claims has been corrected to show that these claims are pending.

### **Claim Rejections – 35 USC § 112**

Claim 24 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite. Applicant respectfully traverses the rejection. The Office Action recited on page 3:

If the T&C statement is generated using for example portable device information or information indicating if redemption is possible, it is unclear how a control logic is configured to communicate with the portable device to *update information on the portable device during the loyalty transaction to indicate whether the T&C statement has been accepted or rejected by a user of the portable device*, since the T&C statement generated have nothing to do with the acceptance or rejection of the T&C.

Applicant is unclear as to what issue the rejection is raising. The rejection appears to be alleging that the T&C statement is directly generated from portable device information or information indicating whether redemption is possible for the loyalty transaction. With reference to the recited claim limitations, the T&C statement may be dynamically generated from a selected T&C file and a selected parameter file. In turn, the T&C file and the parameter file may be selected using information specific to the loyalty transaction. Applicant respectfully requests that this issue be clarified before applicant attempts to further address this rejection.

Applicant notes that the claim is directed to a device and not a method. A device can be configured for many operations which do not necessarily coincide during one operation.

### **Claim Rejections – 35 USC § 102**

Claim 69 is rejected under 35 U.S.C. 102(b) as allegedly being anticipated by Iannacci (US2002/0062249). Claim 69 was previously re-written into independent form and the amendment thereof does not raise a new issue requiring further search and/or consideration.

The Office Action recited on page 4, as anticipatory of this claim, the following: “(see [0009]-[0013], [0021], [0025] [0028] [0034]-[0036], see also fig. 8, 10, 13-18)”. However, as mentioned in the previous amendment, the Office Action merely quoted portions of applicant's claims with reference to eleven paragraphs and eight figures of Iannacci, with no further supportive explanation or argument.

There is absolutely no mention of a T&C statement which has been previously accepted and requires revision in quoted sections of Iannacci. Applicant notes that the

paragraphs cited are specific with regards to the description of the prior art. The figures cited are not described or mentioned with regard to these paragraphs.

Iannaci describes the "Background of the Invention" from paragraphs [0002]-[0103]. Accordingly, the rejection combines portions of Iannaci in a manner that does not correspond to the arrangement of claim limitations within claim 69. The Federal Circuit in *Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F. 3d 1359, (2008) confirmed and made clear that this sort of anticipation rejection is improper, and that the prior art reference must recite the claim limitation as arranged in the claim. The Federal Circuit in *Net MoneyIN* recited:

[U]nless a reference discloses within the four corners of the document not only all of the limitations claimed but also all of the limitations arranged or combined in the same way as recited in the claim, it cannot be said to prove prior invention of the thing claimed and, thus, cannot anticipate under 35 U.S.C. § 102.

The Federal Circuit in *Net MoneyIN* further confirmed the holding in *In re Arkley*, 59 C.C.P.A. 804, 455 F.2d 586, 587 (1972), which reinforced that the prior art must identically disclose or describe the required claim limitations. Quoting *In re Arkley*, the Federal Circuit in *Net MoneyIN* recited:

"[T]he [prior art] reference must clearly and unequivocally disclose the claimed [invention] or direct those skilled in the art to the [invention] without any need for picking, choosing, and combining various disclosures not directly related to each other by the teachings of the cited reference."

Further, the Examiner has not relied on official notice or inherency to support the rejection. The applicant is fairly due a thorough explanation of how Iannacci allegedly anticipates this claim. Otherwise, applicant cannot properly argue or amend the claim in response. Distilling the claim language down to a "thrust" or "gist" is also not appropriate. Accordingly, the rejection is improper.

**Claim Rejections – 35 USC § 103**

Claims 1, 4-8, 24, 28, 31-34, 46-50, 53, 54, 56-64, 68, 70-72, 74, 76 and 78 are rejected under 35 U.S.C. 103(a) as allegedly being unpatentable over Iannacci in view of Chen (U.S. Pat. No. 6,549,912). The rejection is respectfully traversed.

Iannacci and Chen do not teach nor suggest, *inter alia*, "wherein the terms and conditions statement is dynamically generated using the portable device information on the portable device in response to the determination at the point of sale", as required by claim 1.

In support of the rejection the Office Action recited that the basis for the rejection of this limitation is found in paragraphs [0237]-[0239] of Iannacci. Applicant has reviewed this section in detail and has not found a suitable basis for this claim limitation. The referenced paragraphs describe universal account owner database table records which included stored acquisition functions for acquiring options. There is no mention of a terms and condition statement being dynamically generated based on portable device information.

As has been well discussed up to this point, Iannacci recites a universal card system which unites a plurality of different loyalty programs into a single card to present the optimum reward during a transaction, as described in paragraph [0122]. As shown in the previous Amendment, Iannacci merely recites a known method of accepting terms and conditions, i.e., acceptance before a transaction takes place. Accordingly, Iannacci does not recite dynamic generation of a terms and condition statement.

Chen recites that a loyalty file can be stored on a smart card. Chen does not recite dynamic generation of a terms and conditions statement based on the loyalty file.

Accordingly, neither Iannacci nor Chen provides the required claim elements for claim 1, and thus claim 1, and all claims dependent therefrom are patentable over the rejection. The remaining dependent claims recite similar claim limitations.

Claims 73, 75 and 77 are rejected under 35 U.S.C. 103(a) as allegedly being unpatentable over Iannacci in view of Chen and further in view of Buchholz (U.S. Pub. No.

2004/0238629). These claims ultimately derive patentability from claim 1, and also recite patentable claim limitations in their own right.

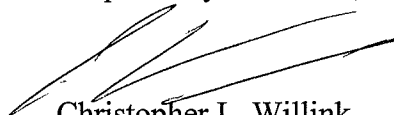
**CONCLUSION**

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

Further, the Commissioner is hereby authorized to charge any additional fees or credit any overpayment in connection with this paper to Deposit Account No. 20-1430.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Respectfully submitted,



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